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BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE  
OF THE STATE OF IDAHO

STATE OF IDAHO, Department of  
Finance, Securities Bureau,

Complainant,

vs.

NATIONS INTERNATIONAL,  
L.L.C., aka NATIONS INTERNATIONAL  
TRADING, L.L.C., its employees and  
agents, and GLENN EARL LLOYD II,

Respondents

Docket No. 1997-7-142

CEASE AND DESIST ORDER

Whereas the Director of the Department of Finance, pursuant to the authority of the Idaho Securities Act, Idaho Code §30-1401, *et seq.*, has reasonable grounds to believe that:

1. Respondent Nations International, L.L.C., aka Nations International Trading, L.L.C., represents itself as a Utah-based limited liability company that was formed in May 1996. Respondent purportedly operates from Sandy, Utah and claims to offer interested

investors an opportunity to participate in a low-risk investment program administered by or through Nations International.

2. Respondent Glenn Earl Lloyd is the promoter of the above described program.

3. Beginning on a date uncertain, but at least since Fall 1997, Respondents offered and sold investment interests in a bank trading program to residents of the State of Idaho.

4. The bank trading program interests are investment contract securities as defined in Idaho Code §30-1402(12).

5. In connection with the offer or sale of securities, Respondents have omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. The omissions of material fact include, but are not limited to, the following:

a. Respondents failed to inform investors that Respondent Lloyd had previously been registered as a securities salesperson in the state of Idaho, and that Lloyd's salesperson registration was revoked on September 10, 1992 for violating the registration and anti-fraud provisions of the Idaho Securities Act.

b. Respondents failed to inform investors that Respondent Lloyd is awaiting a criminal trial in the state of Utah where Lloyd has been charged with fourteen (14) counts of securities fraud, one (1) count of racketeering and ten (10) counts of money laundering.

c. Respondents failed to disclose the investment history and investment results previously achieved by the managers of the bank trading program.

d. Respondents failed to disclose the nature and amounts of commissions or other remuneration that would be paid to Lloyd and/or Nations International LLC, its employees or agents.

e. Respondents failed to identify the management and ownership of Nations International LLC.

f. Respondents failed to disclose the risks associated with investing in a bank trading program.

g. Respondents failed to disclose that Nations International LLC, a Utah-based limited liability company, has not filed with the State of Utah Division of Corporations as a limited liability company and is not qualified or authorized to transact business in the State of Utah.

h. Respondents failed to disclose that the securities were not registered with the Idaho Department of Finance as required under Idaho Code §30-1416.

i. Respondents failed to disclose that the Respondents were not registered with the Idaho Department of Finance as required under Idaho Code §30-1406.

6. Respondents have violated Idaho Code §30-1403(2).

7. In connection with the offer and sale of securities, Respondents, their employees and agents, have made misrepresentations of material fact. These misrepresentations include, but are not limited to, the following:

a. Representing that Nations International L.L.C. is a Utah-based limited liability company (L.L.C.), when the company is not organized as an L.L.C. in Utah and is not authorized to conduct business in Utah through the Utah Division of Corporations, and operates from a mail drop-box in Sandy, Utah.

b. Representing that the trading groups and banks with whom Nations International L.L.C. deals with have several years of successful trading experience.

c. Representing that the bank trading program offered through Nations International L.L.C. could produce investment returns of between 40-80% without a reasonable basis for such claims.

d. Representing that the traders and trading groups associated with Nations International L.L.C. have several years of successful trading experience without a reasonable basis for such claims.

8. Respondents have violated Idaho Code §30-1403(2).

9. The securities offered by Respondents, their employees and agents have not been registered by the Idaho Department of Finance as required pursuant to Idaho Code § 30-1416.

10. Respondents have violated Idaho Code §30-1416.

11. Respondents, their employees and agents are not registered to offer or sell securities in Idaho as required under Idaho Code §30-1406.

12. Respondents have violated Idaho Code §30-1406.

THEREFORE, PURSUANT TO IDAHO CODE §30-1442(2), IT IS HEREBY ORDERED THAT RESPONDENTS, THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND SUCCESSORS IMMEDIATELY CEASE AND DESIST FROM:

A. Selling or offering to sell any security to residents of the State of Idaho.

B. While engaged in or in connection with the offer, or sale, of any security into

Idaho:

- (1) Employing any device, scheme or artifice to defraud any purchasers of securities in Idaho;
- (2) Making any untrue statement of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- (3) Engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

C. Aiding, abetting, counseling, inducing or causing any person to engage in any of the types of conduct described in paragraphs A or B, above.

IT IS FURTHER ORDERED, PURSUANT TO IDAHO CODE §30-1442(2)(a), THAT RESPONDENTS REPAY ALL CONSIDERATION THAT HAS BEEN RECEIVED FROM IDAHO INVESTORS IN CONNECTION WITH THE OFFER AND SALE OF THESE SECURITIES.

13. YOU ARE NOTIFIED that this Cease and Desist Order is a final order of the Department of Finance. However, you may file a motion for reconsideration of this Cease and Desist Order or a request for hearing within fourteen (14) days of the service of this order. Any such motion for reconsideration or request for hearing must be in writing, addressed to:

Marilyn T. Scanlan  
Securities Bureau Chief  
Department of Finance  
P.O. Box 83720  
Boise; ID 83720-0031

A copy of the motion or request for hearing must also be sent to the Department's counsel, at the address listed on the front of this Cease and Desist Order.

14. If a motion for reconsideration or request for hearing is timely filed, you will be notified of the date, time and place of the hearing, as well as the name of the presiding officer. At the hearing, you will be entitled to enter an appearance, introduce evidence, examine and cross-examine witnesses, make arguments and generally participate in the conduct of the proceedings. If you so desire, you may also be represented by legal counsel at your own expense.

15. Any hearing and subsequent proceedings will be in accordance with the provisions of the Idaho Administrative Procedures Act (Chapter 52, Title 67, Idaho Code).

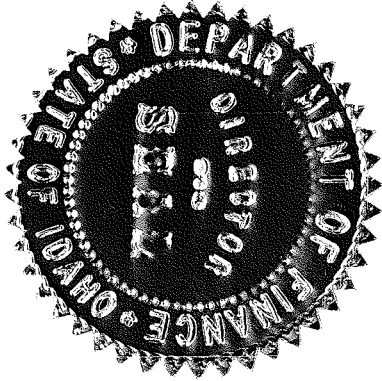
16. Pursuant to Idaho Code §§67-5270 and 67-5272, any party aggrieved by this final order may appeal this final order to district court by filing a petition in the Idaho district court of the county in which:

- a. A hearing was held;
- b. The final agency action was taken;
- c. The party seeking review of the order resides; or
- d. The real property or personal that was the subject of the agency action is located.

17. An appeal must be filed within twenty-eight (28) days (a) of the service date of this final order, (b) of any order denying a petition for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. Idaho Code §67-5273. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

IT IS SO ORDERED.

DATED this 6<sup>th</sup> day of December, 1997.



A handwritten signature in black ink, appearing to read 'Gavin M. Gee', written over a horizontal line.

GAVIN M. GEE  
Director  
Department of Finance